

## **Purpose**

The purpose of the public classification hearing is for the Select Board to determine allocation of the local property tax to be borne by the four classes of real property plus personal property for Fiscal Year 2020. In deciding the allocation, the Select Board must adopt a residential factor which is used to determine the percentage of the tax levy to apply to each class of real and personal property.

# TOWN OF IPSWICH - FISCAL YEAR 2020 TAX RATE SUMMARY

## FY2020 VALUATION

<u>Residential</u>	<u>Valuation</u>	<u>Percent</u>
Residential	2,744,531,301	90%
Commercial	141,878,867	5%
Industrial	145,087,190	5%
Personal	<u>30,647,070</u>	<u>1%</u>
Totals:	3,062,144,428	100%
FY2020 Total Value	3,062,144,428	
FY2019 Total Value	2,952,112,631	
% Change		3.7%
Average Single Family Valuation - 2020	556,663	
Average Single Family Valuation - 2019	542,308	
% Change		2.6%

## FY2020 TAX LEVY

FY2019 Levy Limit	39,429,985
Increased 2.5%	985,750
FY2020 Growth	277,679
	0
FY2020 Levy Limit	40,693,414
Debt Exclusion	2,280,264
FY2020 Maximum Allowable Levy	42,973,678
FY2020 Tax Levy	42,931,265
Excess Levy Capacity	42,413
FY2019 Tax Levy	41,595,267
Tax Levy % Change	3.21%

			Average Tax Bill
****	Tax Rate - 2020	\$14.02	\$7,804.42
	Tax Rate - 2019	\$14.09	\$7,641.12
	Tax Rate % Change	-0.5%	\$163.30
****	ESTIMATED UNTIL APPROVED BY THE DOR		

MassDOR - Massachusetts Department of Revenue  
Division of Local Services  
What if ... Scenario Worksheet for FY 2020

Ipswich - 144

CLASS	VALUE	%	
Residential	2,744,531,301	89.6278	R & O %
Open Space	0	0.0000	89.6278
Commercial	141,878,867	4.6333	
Industrial	145,087,190	4.7381	CIP %
Personal Property	30,647,070	1.0008	10.3722
Total	3,052,144,428	100.0000	

ENTER A LEVY (ESTIMATED IF NECESSARY)		
Levy	42,931,265	
Single TaxRate	14.02	

RESIDENTIAL EXEMPTION		SMALL COMMERCIAL EXEMPTION	
# of Eligible Parcels	0.000000	# of Eligible Parcels	0
Res Parcel Count	0	Total Value of Eligible Parcel	0
Res Exemption %	0.0000	Comm Exemption %	0.0000
Total Res Value Net of Exe	2,744,531,301	Total C & I Value Net of Exer	286,965,057

ENTER CIP SHIFT RANGE		
Shift Range	1.00	1.50
Shift Increment %		1.00
Max Shift Allowed		1.50

Note: This table should be used for planning purposes only. Actual calculations may differ slightly due to rounding. For actual calculations, complete Recap.

Share Percentages								Levy Amounts					Estimated Tax Rates					
CIP Shift	Res Factor	Res SP	OS SP	Comm SP	Ind SP	PP SP	Total SP	Res LA	OS LA	Comm LA	Ind LA	PP LA	Total LA	Res ET	OS ET	Comm ET	Ind ET	PP ET
1.0000	1.0000	89.6278	0.0000	4.6333	4.7381	1.0008	100.0000	38,478,348		1,989,134	2,034,126	429,656	42,931,265	14.02	0.00	14.02	14.02	14.02
1.0100	0.9988	89.5241	0.0000	4.6796	4.7855	1.0108	100.0000	38,433,819		2,009,026	2,054,468	433,953	42,931,265	14.00	0.00	14.16	14.16	14.16
1.0200	0.9977	89.4204	0.0000	4.7260	4.8329	1.0208	100.0000	38,389,290		2,028,917	2,074,809	438,249	42,931,265	13.99	0.00	14.30	14.30	14.30
1.0300	0.9965	89.3166	0.0000	4.7723	4.8802	1.0308	100.0000	38,344,760		2,048,808	2,095,150	442,546	42,931,264	13.97	0.00	14.44	14.44	14.44
1.0400	0.9954	89.2129	0.0000	4.8186	4.9276	1.0408	100.0000	38,300,231		2,068,700	2,115,491	446,842	42,931,264	13.96	0.00	14.58	14.58	14.58
1.0500	0.9942	89.1092	0.0000	4.8650	4.9750	1.0508	100.0000	38,255,701		2,088,591	2,135,833	451,139	42,931,264	13.94	0.00	14.72	14.72	14.72
1.0600	0.9931	89.0055	0.0000	4.9113	5.0224	1.0608	100.0000	38,211,172		2,108,482	2,156,174	455,435	42,931,264	13.92	0.00	14.86	14.86	14.86
1.0700	0.9919	88.9017	0.0000	4.9576	5.0698	1.0709	100.0000	38,166,643		2,128,374	2,176,515	459,732	42,931,263	13.91	0.00	15.00	15.00	15.00
1.0800	0.9907	88.7980	0.0000	5.0040	5.1171	1.0809	100.0000	38,122,113		2,148,265	2,196,856	464,029	42,931,263	13.89	0.00	15.14	15.14	15.14
1.0900	0.9896	88.6943	0.0000	5.0503	5.1645	1.0909	100.0000	38,077,584		2,168,156	2,217,198	468,325	42,931,263	13.87	0.00	15.28	15.28	15.28
1.1000	0.9884	88.5906	0.0000	5.0966	5.2119	1.1009	100.0000	38,033,055		2,188,048	2,237,539	472,622	42,931,263	13.86	0.00	15.42	15.42	15.42
1.1100	0.9873	88.4869	0.0000	5.1430	5.2593	1.1109	100.0000	37,988,525		2,207,939	2,257,880	476,918	42,931,263	13.84	0.00	15.56	15.56	15.56
1.1200	0.9861	88.3831	0.0000	5.1893	5.3067	1.1209	100.0000	37,943,996		2,227,830	2,278,221	481,215	42,931,262	13.83	0.00	15.70	15.70	15.70
1.1300	0.9850	88.2794	0.0000	5.2356	5.3541	1.1309	100.0000	37,899,466		2,247,722	2,298,563	485,511	42,931,262	13.81	0.00	15.84	15.84	15.84
1.1400	0.9838	88.1757	0.0000	5.2820	5.4014	1.1409	100.0000	37,854,937		2,267,613	2,318,904	489,808	42,931,262	13.79	0.00	15.98	15.98	15.98
1.1500	0.9826	88.0720	0.0000	5.3283	5.4488	1.1509	100.0000	37,810,408		2,287,504	2,339,245	494,105	42,931,262	13.78	0.00	16.12	16.12	16.12
1.1600	0.9815	87.9682	0.0000	5.3746	5.4962	1.1609	100.0000	37,765,878		2,307,396	2,359,586	498,401	42,931,262	13.76	0.00	16.26	16.26	16.26
1.1700	0.9803	87.8645	0.0000	5.4210	5.5436	1.1709	100.0000	37,721,349		2,327,287	2,379,928	502,698	42,931,261	13.74	0.00	16.40	16.40	16.40
1.1800	0.9792	87.7608	0.0000	5.4673	5.5910	1.1809	100.0000	37,676,819		2,347,178	2,400,269	506,994	42,931,261	13.73	0.00	16.54	16.54	16.54
1.1900	0.9780	87.6571	0.0000	5.5136	5.6383	1.1910	100.0000	37,632,290		2,367,070	2,420,610	511,291	42,931,261	13.71	0.00	16.68	16.68	16.68
1.2000	0.9769	87.5533	0.0000	5.5600	5.6857	1.2010	100.0000	37,587,761		2,386,961	2,440,952	515,587	42,931,261	13.70	0.00	16.82	16.82	16.82
1.2100	0.9757	87.4496	0.0000	5.6063	5.7331	1.2110	100.0000	37,543,231		2,406,853	2,461,293	519,884	42,931,260	13.68	0.00	16.96	16.96	16.96
1.2200	0.9745	87.3459	0.0000	5.6526	5.7805	1.2210	100.0000	37,498,702		2,426,744	2,481,634	524,180	42,931,260	13.66	0.00	17.10	17.10	17.10
1.2300	0.9734	87.2422	0.0000	5.6990	5.8279	1.2310	100.0000	37,454,173		2,446,635	2,501,975	528,477	42,931,260	13.65	0.00	17.24	17.24	17.24
1.2400	0.9722	87.1385	0.0000	5.7453	5.8752	1.2410	100.0000	37,409,643		2,466,527	2,522,317	532,774	42,931,260	13.63	0.00	17.38	17.38	17.38
1.2500	0.9711	87.0347	0.0000	5.7916	5.9226	1.2510	100.0000	37,365,114		2,486,418	2,542,658	537,070	42,931,260	13.61	0.00	17.52	17.53	17.52
1.2600	0.9699	86.9310	0.0000	5.8380	5.9700	1.2610	100.0000	37,320,584		2,506,309	2,562,999	541,367	42,931,259	13.60	0.00	17.67	17.67	17.66
1.2700	0.9688	86.8273	0.0000	5.8843	6.0174	1.2710	100.0000	37,276,055		2,526,201	2,583,340	545,663	42,931,259	13.58	0.00	17.81	17.81	17.80
1.2800	0.9676	86.7236	0.0000	5.9306	6.0648	1.2810	100.0000	37,231,526		2,546,092	2,603,682	549,960	42,931,259	13.57	0.00	17.95	17.95	17.94
1.2900	0.9664	86.6198	0.0000	5.9770	6.1121	1.2910	100.0000	37,186,996		2,565,983	2,624,023	554,256	42,931,259	13.55	0.00	18.09	18.09	18.09
1.3000	0.9653	86.5161	0.0000	6.0233	6.1595	1.3010	100.0000	37,142,467		2,585,875	2,644,364	558,553	42,931,259	13.53	0.00	18.23	18.23	18.23
1.3100	0.9641	86.4124	0.0000	6.0696	6.2069	1.3110	100.0000	37,097,937		2,605,766	2,664,705	562,849	42,931,258	13.52	0.00	18.37	18.37	18.37
1.3200	0.9630	86.3087	0.0000	6.1160	6.2543	1.3211	100.0000	37,053,408		2,625,657	2,685,047	567,146	42,931,258	13.50	0.00	18.51	18.51	18.51
1.3300	0.9618	86.2050	0.0000	6.1623	6.3017	1.3311	100.0000	37,008,879		2,645,549	2,705,388	571,443	42,931,258	13.48	0.00	18.65	18.65	18.65
1.3400	0.9607	86.1012	0.0000	6.2086	6.3491	1.3411	100.0000	36,964,349		2,665,440	2,725,729	575,739	42,931,258	13.47	0.00	18.79	18.79	18.79
1.3500	0.9595	85.9975	0.0000	6.2550	6.3964	1.3511	100.0000	36,919,820		2,685,331	2,746,070	580,036	42,931,257	13.45	0.00	18.93	18.93	18.93
1.3600	0.9583	85.8938	0.0000	6.3013	6.4438	1.3611	100.0000	36,875,291		2,705,223	2,766,412	584,332	42,931,257	13.44	0.00	19.07	19.07	19.07
1.3700	0.9572	85.7901	0.0000	6.3476	6.4912	1.3711	100.0000	36,830,761		2,725,114	2,786,753	588,629	42,931,257	13.42	0.00	19.21	19.21	19.21
1.3800	0.9560	85.6863	0.0000	6.3940	6.5386	1.3811	100.0000	36,786,232		2,745,005	2,807,094	592,925	42,931,257	13.40	0.00	19.35	19.35	19.35
1.3900	0.9549	85.5826	0.0000	6.4403	6.5860	1.3911	100.0000	36,741,702		2,764,897	2,827,436	597,222	42,931,257	13.39	0.00	19.49	19.49	19.49
1.4000	0.9537	85.4789	0.0000	6.4866	6.6333	1.4011	100.0000	36,697,173		2,784,788	2,847,777	601,519	42,931,256	13.37	0.00	19.63	19.63	19.63
1.4100	0.9526	85.3752	0.0000	6.5330	6.6807	1.4111	100.0000	36,652,644		2,804,679	2,868,118	605,815	42,931,256	13.35	0.00	19.77	19.77	19.77
1.4200	0.9514	85.2715	0.0000	6.5793	6.7281	1.4211	100.0000	36,608,114		2,824,571	2,888,459	610,112	42,931,256	13.34	0.00	19.91	19.91	19.91
1.4300	0.9502	85.1677	0.0000	6.6256	6.7755	1.4311	100.0000	36,563,585		2,844,462	2,908,801	614,408	42,931,256	13.32	0.00	20.05	20.05	20.05
1.4400	0.9491	85.0640	0.0000	6.6720	6.8229	1.4412	100.0000	36,519,055		2,864,353	2,929,142	618,705	42,931,255	13.31	0.00	20.19	20.19	20.19
1.4500	0.9479	84.9603	0.0000	6.7183	6.8702	1.4512	100.0000	36,474,526		2,884,245	2,949,483	623,001	42,931,255	13.29	0.00	20.33	20.33	20.33
1.4600	0.9468	84.8566	0.0000	6.7646	6.9176	1.4612	100.0000	36,429,997		2,904,136	2,969,824	627,298	42,931,255	13.27	0.00	20.47	20.47	20.47
1.4700	0.9456	84.7528	0.0000	6.8110	6.9650	1.4712	100.0000	36,385,467		2,924,027	2,990,166	631,594	42,931,255	13.26	0.00	20.61	20.61	20.61
1.4800	0.9445	84.6491	0.0000	6.8573	7.0124	1.4812	100.0000	36,340,938		2,943,919	3,010,507	635,891	42,931,255	13.24	0.00	20.75	20.75	20.75
1.4900	0.9433	84.5454	0.0000	6.9036	7.0598	1.4912	100.0000	36,296,409		2,963,810	3,030,848	640,188	42,931,254	13.22	0.00	20.89	20.89	20.89
1.5000	0.9421	84.4417	0.0000	6.9500	7.1072	1.5012	100.0000	36,251,879		2,983,701	3,051,189	644,484	42,931,254	13.21	0.00	21.03	21.03	21.03

## **2. ADOPTION OF A DISCOUNT TO OPEN SPACE**

Open Space under classification is defined as land maintained in an open or natural condition, which contributes significantly to the benefit and enjoyment of the public but shall not include land taxable under the provisions of Ch. 61, 61A, 61B, under a permanent conservation restriction or held for the production of income.

There is no land classified as Open Space in Ipswich.

### 3. RESIDENTIAL EXEMPTION

This option allows for higher value homes and non-owner occupied homes, such as vacation or second homes to be taxed at a higher rate. It is an option designed primarily for communities where there are large numbers of second homes, i.e. non owner occupied. (Only 13 out of 351 communities take advantage of the residential exemption.) Neither age or income is a factor.

This is not a practical option for Ipswich. A residential exemption shifts up to thirty five percent (35%) of the average assessed value of owner occupied parcels to **higher value and non-owner** occupied parcels in the residential class (Class I). While there are some rental properties in Ipswich, the typical residence is owner occupied.

Because there are not enough non-owner occupied homes in Ipswich, the net effect of this option would actually be to increase the taxes for all owner occupied homes over \$500,000 in value.

**TOWN OF IPSWICH  
FISCAL YEAR 2020**

**RESIDENTIAL EXEMPTION IMPACT STUDY**

**Residential Exemption of 5%**

<u>FY20 Value</u>	<u>FY20 Tax Rate</u>	<u>Tax Bill</u>	<u>Exempt. @ 5%</u>	<u>Adj. Value w/ Exempt.</u>	<u>Tax Rate w/ Exempt.</u>	<u>Tax Bill w/ Exempt.</u>	<u>\$ Impact of Exempt.</u>	<u>% Chng In Bill</u>				
250,000	\$14.02	\$3,505	28,634	221,366	\$14.85	\$3,287	-\$218	-6%	250,000	\$14.85	\$3,713	\$208
300,000	\$14.02	\$4,206	28,634	271,366	\$14.85	\$4,030	-\$176	-4%	300,000	\$14.85	\$4,455	\$249
400,000	\$14.02	\$5,608	28,634	371,366	\$14.85	\$5,515	-\$93	-2%	400,000	\$14.85	\$5,940	\$332
475,000	\$14.02	\$6,660	28,634	446,366	\$14.85	\$6,629	-\$31	0%	475,000	\$14.85	\$7,054	\$394
500,000	\$14.02	\$7,010	28,634	471,366	\$14.85	\$7,000	-\$10	0%	500,000	\$14.85	\$7,425	\$415
600,000	\$14.02	\$8,412	28,634	571,366	\$14.85	\$8,485	\$73	1%	600,000	\$14.85	\$8,910	\$498
700,000	\$14.02	\$9,814	28,634	671,366	\$14.85	\$9,970	\$156	2%	700,000	\$14.85	\$10,395	\$581
800,000	\$14.02	\$11,216	28,634	771,366	\$14.85	\$11,455	\$239	2%	800,000	\$14.85	\$11,880	\$664
1,000,000	\$14.02	\$14,020	28,634	971,366	\$14.85	\$14,425	\$405	3%	1,000,000	\$14.85	\$14,850	\$830
1,500,000	\$14.02	\$21,030	28,634	1,471,366	\$14.85	\$21,850	\$820	4%	1,500,000	\$14.85	\$22,275	\$1,245
2,000,000	\$14.02	\$28,040	28,634	1,971,366	\$14.85	\$29,275	\$1,235	4%	2,000,000	\$14.85	\$29,700	\$1,660
3,000,000	\$14.02	\$42,060	28,634	2,971,366	\$14.85	\$44,125	\$2,065	5%	3,000,000	\$14.85	\$44,550	\$2,490

**Residential Exemption of 10%**

<u>FY20 Value</u>	<u>FY20 Tax Rate</u>	<u>Tax Bill</u>	<u>Exempt. @ 10%</u>	<u>Adj. Value w/ Exempt.</u>	<u>Tax Rate w/ Exempt.</u>	<u>Tax Bill w/ Exempt.</u>	<u>\$ Impact of Exempt.</u>	<u>% Chng In Bill</u>				
250,000	\$14.02	\$3,505	57,268	192,732	\$15.78	\$3,041	-\$464	-13%	250,000	\$15.74	\$3,935	\$430
300,000	\$14.02	\$4,206	57,268	242,732	\$15.78	\$3,830	-\$376	-9%	300,000	\$15.74	\$4,722	\$516
400,000	\$14.02	\$5,608	57,268	342,732	\$15.78	\$5,408	-\$200	-4%	400,000	\$15.74	\$6,296	\$688
475,000	\$14.02	\$6,660	57,268	417,732	\$15.78	\$6,592	-\$68	-1%	475,000	\$15.74	\$7,477	\$817
500,000	\$14.02	\$7,010	57,268	442,732	\$15.78	\$6,986	-\$24	0%	500,000	\$15.74	\$7,870	\$860
600,000	\$14.02	\$8,412	57,268	542,732	\$15.78	\$8,564	\$152	2%	600,000	\$15.74	\$9,444	\$1,032
700,000	\$14.02	\$9,814	57,268	642,732	\$15.78	\$10,142	\$328	3%	700,000	\$15.74	\$11,018	\$1,204
800,000	\$14.02	\$11,216	57,268	742,732	\$15.78	\$11,720	\$504	4%	800,000	\$15.74	\$12,592	\$1,376
1,000,000	\$14.02	\$14,020	57,268	942,732	\$15.78	\$14,876	\$856	6%	1,000,000	\$15.74	\$15,740	\$1,720
1,500,000	\$14.02	\$21,030	57,268	1,442,732	\$15.78	\$22,766	\$1,736	8%	1,500,000	\$15.74	\$23,610	\$2,580
2,000,000	\$14.02	\$28,040	57,268	1,942,732	\$15.78	\$30,656	\$2,616	9%	2,000,000	\$15.74	\$31,480	\$3,440
3,000,000	\$14.02	\$42,060	57,268	2,942,732	\$15.78	\$46,436	\$4,376	10%	3,000,000	\$15.74	\$47,220	\$5,160

**Residential Exemption of 25%**

<u>FY20 Value</u>	<u>FY20 Tax Rate</u>	<u>Tax Bill</u>	<u>Exempt. @ 25%</u>	<u>Adj. Value w/ Exempt.</u>	<u>Tax Rate w/ Exempt.</u>	<u>Tax Bill w/ Exempt.</u>	<u>\$ Impact of Exempt.</u>	<u>% Chng In Bill</u>				
250,000	\$14.02	\$3,505	118,599	131,401	\$16.84	\$2,213	-\$1,292	-37%	250,000	\$16.66	\$4,165	\$660
300,000	\$14.02	\$4,206	118,599	181,401	\$16.84	\$3,054	-\$1,152	-27%	300,000	\$16.66	\$4,998	\$792
400,000	\$14.02	\$5,608	118,599	281,401	\$16.84	\$4,738	-\$870	-16%	400,000	\$16.66	\$6,664	\$1,056
475,000	\$14.02	\$6,660	118,599	356,401	\$16.84	\$6,001	-\$658	-10%	475,000	\$16.66	\$7,914	\$1,254
500,000	\$14.02	\$7,010	118,599	381,401	\$16.84	\$6,422	-\$588	-8%	500,000	\$16.66	\$8,330	\$1,320
600,000	\$14.02	\$8,412	118,599	481,401	\$16.84	\$8,106	-\$306	-4%	600,000	\$16.66	\$9,996	\$1,584
700,000	\$14.02	\$9,814	118,599	581,401	\$16.84	\$9,790	-\$24	0%	700,000	\$16.66	\$11,662	\$1,848
800,000	\$14.02	\$11,216	118,599	681,401	\$16.84	\$11,473	\$257	2%	800,000	\$16.66	\$13,328	\$2,112
1,000,000	\$14.02	\$14,020	118,599	881,401	\$16.84	\$14,841	\$821	6%	1,000,000	\$16.66	\$16,660	\$2,640
1,500,000	\$14.02	\$21,030	118,599	1,381,401	\$16.84	\$23,260	\$2,230	11%	1,500,000	\$16.66	\$24,990	\$3,960
2,000,000	\$14.02	\$28,040	118,599	1,881,401	\$16.84	\$31,679	\$3,639	13%	2,000,000	\$16.66	\$33,320	\$5,280
3,000,000	\$14.02	\$42,060	118,599	2,881,401	\$16.84	\$48,517	\$6,457	15%	3,000,000	\$16.66	\$49,980	\$7,920

#### **4. SMALL COMMERCIAL EXEMPTION**

The Small Commercial Exemption is an option where up to 10% of the value of commercial parcels can be exempted if they meet certain conditions.

- a. An eligible small business must be occupied as of January 1 by a business with an average annual employment of no more than 10 employees at all locations during the previous calendar year as certified by The Department of Unemployment Assistance.
- b. The value of the property must be less than \$1,000,000.

If the property has more than one business, each business must have fewer than ten employees or the property may not be granted the exemption.

The Small Commercial Exemption lowers taxes on parcels meeting the above criteria and shifts the taxes to other commercial and industrial taxpayers with higher values.

Out of 163 commercial properties in Ipswich, 136 are valued under \$1,000,000.